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COUNTRY

Chile/Argentine

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SUBJECT

Statements of Argentine Senator Alberto Dur to President Gonzalez Videla

in the Chilean revolutionary plot (cf.

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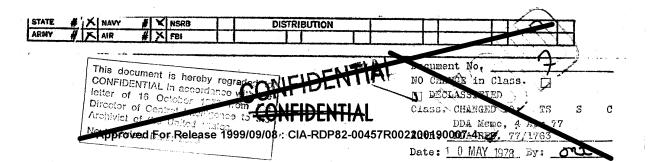
SUPPLEMENT TO

President Gonzales Videla of Chile and Argentine Senator Alberto Durand had luncheon together on 2h November 1948, at which time Durand again

presented Peron's assurances that there had been no Argentine participation

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- 2. Durand stressed that all rumors and reports implicating Peron in the plot were lies of the Argentine Conservatives and Communists, who are united in opposition to Peron. Durand said that Peron is a man of peace, dedicated to the welfare of the Argentine people, who literally adore their president. Durand admitted that a dictatorship exists in Argentina, but he claimed that this was based on precepts of social justice which are for the benefit of the great mass of the people.
- 3. The Senator stated that Peron is a good friend of President Truman's, who has merely copied Peron's program of social justice. Durand averred that Argenting, would fight alongside the United States in case of a war with the Soviet Union.
- 4. In answer to the President's questions concerning the Argentine rearmament program, Durand insisted that the only reason that his country has purchased mor/s arms than any other South American country is that the United States government would not lend-lease equipment to Argentina as it had done to other countries. Argentina had, therefore, to purchase its arms in order to have an efficient army, navy, and air force. The rearmament program was designed for self-defense. Durand illustrated his point by stating that Paraguay at one time had planned to seize possession of one of the northern provinces of Argentina.
- 5. It was explained to the President at this luncheon that no inflation exists in Argentina, that the cost of living has not increased, and that Argentine currency is fully backed by gold reserves. He admitted that Argentina is facing a dollar shortage, but he considered that this was unimportant, since, not having signed the Bretton Woods Agreement, his country is able to operate freely in the world market. Durand pointed to the barter agreements existing, between Argentina and Venezuela, Czechoslovakia, Humgary, Rumania, Yugorlavia, Italy, and Spain. He stressed to Conzalez Videls the mutual



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benefits to be obtained by a similar agreement between Argentina and Chile-He explained that recent Argentine restrictions on the exportation of cattle to Chile were necessary because of a cattle shortage in Argentina. Durand went on to stress that "resident Peron ardently believes in and strongly supports inter-American unity and cooperation.

6. With respect to the proposed change of the Argentine Constitution, Durand told the Chilean President that this would be approved during the coming year. He claimed that one of the changes would be that of prohibiting the election of congressmen belonging to political parties directed from abroad. The Communist Party would not be declared illegal but certain measures would be taken to prevent foreign penetration in Argentins.

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